Paper No. 23

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte ALFRED A. NORCOTT, JR.
and STEPHEN C. STALLINGS

Appeal No. 1998-2870
Application 08/429,954[1]

HEARD: August 15, 2001

Before KRASS, BARRETT, and GROSS, Administrative Patent Judges.

BARRETT, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal under 35 U.S.C. § 134 from the final rejection of claims 1-31.

We affirm-in-part.

[1] Application for patent filed April 27, 1995, entitled "Telephone Accessory Communications Device."

BACKGROUND

The disclosed invention relates to telephone accessory communications device for use with preexisting hotel telephone systems and a method of operating such a device. The device is coupled between a preexisting telephone and a telephone line. The device is powered by lifting the receiver of the telephone. The device allows for selection of services, such as pay-per-view movies, and paying for such services with a credit card via a card swipe mechanism. The device has a memory which can be programmed via an external cable connection.

Claim 1 is reproduced below.

> 1. A telephone accessory communications device externally coupled to a response device and an external apparatus comprising:
>
> (a) an actuator device providing a service select signal corresponding to a selected service;
>
> (b) an information retrieving device providing an information signal corresponding to data stored by an information storage device;
>
> (c) a cable connector for providing reception of programming data from an external device;
>
> (d) central processing unit coupled to retrieve the information signal, the service select signal and the programming data, and generating in response thereto respective control signals that each correspond to one of the service select signal and the information signal, and enabling the storage of the programming data; said central processing unit being enabled to generate said control signals by activating said response device; and
>
> (e) a telephone signalling generator coupled to retrieve the generated control signals and in response

thereto emitting to said external apparatus analog signals that enable said selected service; said telephone signalling generator permitting said response device to transmit signals to said external apparatus when said central processor is enabled.

THE PRIOR ART

The Examiner relies on the following references:

Canuel	4,897,865	January 30, 1990
Snyder	5,343,514	August 30, 1994
Berry et al. (Berry)	5,311,302	May 10, 1994
Biggs, Jr. et al. (Biggs)	5,475,740	December 12, 1995 (filed June 22, 1993)

THE REJECTIONS

Claims 1-12, 14-24, and 26-31 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Biggs and Snyder.

Claim 13 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Biggs and Snyder, further in view of Berry.

Claim 25 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Biggs and Snyder, further in view of Canuel.

We refer to the final rejection (Paper No. 7) and the examiner's answer (Paper No. 13) (pages referred to as "EA__") for a complete statement of the Examiner's position, and to the amended brief (Paper No. 19) (pages referred to as "Br__") and the reply brief (Paper No. 15) (pages referred to as "RBr__") for a statement of Appellants' arguments thereagainst.

OPINION

Apparatus claims 1-25

Biggs discloses an access phone 10 comprising a standard telephone keypad 56, an amenity keypad 58, speed dial buttons, and a credit card reader, or swipe, mechanism 62 (col. 6, lines 10-13; col. 13, lines 52-63). The access phone 10 is controlled by an internal central processor unit (CPU) 60 and the programs are stored on an Erasable Programmable Read Only Memory (EPROM) 70 along with other communication elements as shown in the circuit of figure 3 (col. 6, lines 13-28; col. 13, line 52 to col. 14, line 15). The EPROM 70 is programmable through a program input 72 (col. 14, lines 8-9). The access phone 10 communicates with an external apparatus, such as store-and-forward switch 20, using analog dual-tone multi-frequency (DTMF) signals (col. 6, lines 17-21). The access phone 10 is line powered such that when the access phone 10 is taken "off-hook," the system is activated (col. 14, lines 46-48). The CPU 60 receives stored information from a credit card via the card reader 62, corresponding to the claimed "information signal" of claim 1, and a signal from an amenity key, corresponding to the "service select signal" of claim 1, and generates control signals in response thereto which are used to send information to the external apparatus (col. 14, lines 46-59; col. 15, line 66 col. 16, line 27); e.g., as shown in figure 5, the CPU 60

provides control signals to dial a calling string (block 116), dial the amenity service code number (block 132) responsive to the "service select signal," and dial the credit card information (block 136) in response to the "information signal."

Appellants argue that the differences between Biggs and the subject matter of claims 1, 20, 21, and 23 are: (1) the amenities services device is integral with the telephone (response device) in Biggs and is not externally connected between the telephone and an external apparatus (i.e., not externally connected in series); (2) Biggs and Snyder do not suggest permitting an externally connected response device to transmit signals onto a telephone line while the device processing unit is enabled; and (3) the programming data in Biggs is received from program input 72 and is not received and stored by the CPU.

(1)

Snyder discloses a telephone accessory communications device 10, such as a credit card reader, externally connected between a telephone 18 and an external apparatus (not shown) through standard telephone cable 15. This express teaching of an add-on device with amenities selection switches and card reader would have suggested to one of ordinary skill in the art making the amenities service device portion of Biggs as a separate external device, connected between a standard telephone and the external apparatus. Snyder also discloses that a number of

products have been developed for use in parallel with a standard telephone, such as automatic telephone answering machines, card readers, check verification devices, pre-programmed automatic dialers, etc. (col. 1, lines 5-12). (Note that while the device is externally connected in series, figure 1, the circuitry is electrically connected in parallel to the telephone lines, as is Appellants' circuitry.) This would have been an additional suggestion to one of ordinary skill in the art to make the amenities service device of Biggs as a separate external device, connected between the standard telephone and the external apparatus. Although Snyder does not state why add-on devices were developed for use with standard telephones, and while the reasons are not necessary to the rejection given the teaching in Snyder of doing what Appellants have done, we agree with the Examiner's reasoning (EA6) that one of ordinary skill in the art would have known to use an add-on device to avoid the need and expense of replacing existing standard telephones.

Appellants argue that the references are not combinable because there is no suggestion of the desirability of the combination (Br9-10). As discussed in the preceding paragraph, we find at least two suggestions in Snyder to modify the amenities service device in Biggs to be separate: (1) the fact that both Biggs and Snyder are directed to amenities services devices and that Snyder teaches that the amenities service device

can be made external to a standard telephone; and (2) the fact that Snyder discloses that it was known to provide other kinds of add-on devices for standard telephones. We find very strong suggestions to combine the teachings of Biggs and Snyder.

Appellants argue that Snyder does not suggest separating the disclosed features of Biggs because Snyder must disable the telephone which is the exact opposite of Biggs (Br10). The operation of Snyder does not affect Snyder's teaching of providing the service device as a separate external device. Also, as discussed, infra, Snyder only disables the telephone during operation of the amenities service device after which the telephone is turned back on while the micro controller remains enabled. This is not inconsistent with Biggs.

Appellants argue that the Examiner improperly relied on their disclosure as motivation for the combination (Br12-13). We agree with the Examiner's finding (EA6; EA9) that making a separate unit apart from the telephone to save cost was notoriously well known. This finding is supported by Snyder's description of add-on devices (col. 1, lines 5-12). In any case, however, Snyder expressly teaches that an amenities service device can be made as a separate external unit. Accordingly, the Examiner did not rely on hindsight.

(2)

This argument is based on the limitation about "externally connected." It is true that Biggs does not suggest permitting an externally connected response device to transmit signals onto a telephone line while the device processing unit is enabled because the amenities service device in Biggs is not "externally connected." However, Biggs discloses that the telephone (response device) can transmit signals while the telephone/amenities service device system is enabled. It would have been obvious for one of ordinary skill in the art to preserve this functionality in making the amenities service device as a separate, externally connected device. That is, the only modification proposed as to the independent claims is making the device in Biggs as a separate, externally connected device as shown in Snyder, not also incorporating the circuitry of Snyder.

In any case, the circuitry in Snyder is consistent with the claim language. Snyder discloses that the device 10 is operated in a "stand-by" or "sleep" mode, preparing it for use, when the receiver of the telephone 18 is taken off-hook (col. 2, lines 62-65). When the micro controller 52 of device 10 is in its "stand-by" or "sleep" mode, it can be activated to full power by inserting a card in the card reader slot (col. 5, lines 16-30) or by pressing any one of the memory keys 12 (col. 8, lines 6-9). Once the device 10 becomes active, the telephone is shut off

(col. 6, lines 39-42). After the dialer mode of operation is complete or a program mode of device 10 is complete, the micro controller 52 returns the system to the "stand-by" or "sleep" mode in which the telephone is turned back on and in which certain power hungry components are turned off, but in which the active components include micro controller 52 (col. 7, line 46 to col. 8, line 5). Thus, in the "stand-by" or "sleep" mode the micro controller 52, corresponding to the claimed CPU, is enabled and the telephone is active to transmit signals as claimed.

Appellants' arguments (Br10) that Snyder does not transmit signals on a telephone line with the CPU of the accessory device is enabled are in error.

(3)

The independent claims require that the CPU is coupled to receive and store the programming data. Claim 1 recites: "a cable connector [33] for providing reception of programming data" and a "central processing unit [20] coupled to retrieve . . . the programming data . . . and enabling the storage of the programming data." Claim 20 recites: "a cable connector [33] providing for reception of programming data" and "a microprocessor [20] operably coupled . . . to the cable connector [33] to receive . . . the programming data" and "a memory device [28] being programmed in response to the programming data." Claim 21 recites: "a central processing unit [20] . . . coupled

to receive . . . programming data . . . and enabling the storage of the programming data." Claim 23 recites: "a cable connector [33] providing for the reception of programming data that includes an identification or telephone number" and "a central processing unit [20] coupled . . . to the cable connector [33] to receive the programming data" and "a memory device [28] . . . storing the identification or telephone number in response to the input memory address and control signals corresponding to the programming data."

The Examiner notes that Biggs teaches that EPROM 70 is programmable through input 72 (EA8). This does not address the claim language about the CPU being involved in storing the programming data.

The Examiner next observes that Biggs teaches the programming of macros, but does not say how this is done (EA8). This is not useful to the rejection.

The Examiner notes that the speed dial routine uses a memory predisposed in the memory as with a conventional phone and finds that "[i]t is [sic, was] well known in the art that the programming of memory in a conventional phone requires that the CPU be enabled." The Examiner states that since Biggs does not teach how the first and second programming methods (through input 72 and the macros) are performed, it is assumed they are performed as with a conventional phone and "[t]herefore, it is

inherent in the operation of EPROM 70 that the CPU be enabled during the storage of program data" (EA8).

Appellants argue that inherency requires that something necessarily be so and nothing in Biggs suggests that the CPU enables the programming of the EPROM.

We agree with Appellants that there is no indication that the CPU in Biggs is involved in storing the program data from input 72 into EPROM memory 70. It was well known that EPROMs could be programmed before being installed in a circuit and Biggs appears to show direct programming of the EPROM without any involvement by the CPU. Thus, we disagree with the Examiner's finding that the CPU is "inherently" enabled during program data reception and storage. Although we believe it was well known to use a CPU to receive and store external programming data in memory, instead of programming the memory directly, we decline to take Official Notice of this fact based only on our personal knowledge. See In re Zurko, No. 96-1258 (Fed. Cir. August 2, 2001) ("With respect to core factual findings in a determination of patentability, however, the Board cannot simply reach conclusions based on its own understanding or experience--or on its assessment of what would be basic knowledge or common sense."). If storing programming data in memory from an external source using a CPU was well known in the general telephone art, or in arts dealing with the inventors' problem of storing

external programming data in memory, the Examiner should have no trouble finding a reference.

In summary, we find that the combination of Biggs and Snyder, as set out by the Examiner, discloses or suggests the subject matter of the independent apparatus claims except for the limitations of using the CPU to receive and store data. Accordingly, the Examiner has failed to establish a prima facie case of obviousness. The references to Berry, applied to claim 13, and Canuel, applied to claim 25, do not cure the deficiencies of Biggs and Snyder as to the independent claims. The rejection of claims 1-25 is reversed.

We find that Snyder discloses that "the micro controller 52 may be connected with an off-premise DTMF modem, which automatically programs the computer" (col. 7, lines 40-42). This suggests that the micro controller 52 receives and necessarily stores programming data in the memory. Appellants are responsible for knowing express teachings of the references. However, since Snyder does not expressly recite storing data in memory some obviousness reasoning is required and we decline to provide the obviousness rationale in the first instance because it would constitute a new ground of rejection. See In re Kronig, 539 F.2d 1300, 1302, 190 USPQ 425, 426 (CCPA 1976) (the "ultimate criterion" of whether a rejection is new is "whether appellants have had fair opportunity to react to the thrust of the

rejection"). Furthermore, based on past experience, examiners often will not conduct a further search for a better reference if a new ground of rejection is entered. We leave it to the Examiner to decide whether to search further.

Although we have reversed the rejection of claims 1-25, we make the following comments regarding the rejections of the dependent claims for the Examiner's benefit without addressing Appellants' arguments. As to claim 2, Snyder also shows DTMF signals emitted by amplifier 58. As to claim 3, we further note the phone identification number (col. 10, lines 18-23) and the amenity identification number in Biggs (col. 19, lines 45-47) and the serial ID code in Snyder (col. 7, lines 34-36). The rejection of claims 4, 5, and 25 would benefit from further explanation by the Examiner. Claims 6-11, 15, 16, and 22 require no comments. As to claim 12, the Examiner has not addressed the difference between the claimed EEPROM and the EPROM of Biggs. As to claim 13, no additional reference is deemed necessary if it would have been obvious to use the EEPROM in claim 11; the term "integrated" in the limitation "memory device is integrated with the central processing unit [20]" only broadly requires the memory to work in tandem with the CPU, which is shown in Biggs. Nevertheless, the Examiner's citation of Berry as to claim 13 is a safe precaution. As to claims 17-19 and 24, an additional reference is required; in particular, the CPU in Biggs does not

receive programming data from the information retrieving device (the magnetic card reader) or from a cable connector as claimed.

Method claims 26-31

The method claims do not recite that the CPU enables the programming of the memory. For the reasons discussed in connection with the independent apparatus claims, we conclude that it would have been obvious in view of Snyder to make the amenities service device of Biggs as a separate external device, connected between the standard telephone (response device) and the external apparatus. Also, for the reasons discussed in connection with the independent apparatus claims, we find that Biggs discloses that the telephone (response device) can transmit signals while the telephone/amenities service device system is enabled and conclude that it would have been obvious for one of ordinary skill in the art to preserve this functionality in making the amenities service device as a separate, externally connected device; i.e., the only modification proposed is making the device in Biggs as a separate, externally connected device as shown in Snyder, not incorporating the circuitry of Snyder. Still further, for the reasons discussed in connection with the independent apparatus claims, we find that in the "stand-by" or "sleep" mode, the micro controller 52 of Snyder, corresponding to the claimed CPU, is enabled and the telephone is active to

transmit signals as claimed and, so, Snyder also teaches that the telephone can transmit signals to an external apparatus. This answers Appellants' arguments in the brief.

Appellants argue (RBr10) that the Examiner has failed to address the enabling of the claimed device by "activating an externally connected response device." The amenities service devices of Biggs and Snyder are activated by lifting the telephone receiver; i.e., both Biggs and Snyder are line powered when the telephone receiver is lifted. Thus, in making the amenities service device in Biggs as a separate, externally connected device in view of Snyder, it would have been obvious to use the method of enabling the device taught by both references. In fact, no other method of enabling the device is suggested. For these reasons, the rejection of claim 26 is sustained.

Claim 27 recites that all the signals of claim 26 are DTMF signals. Appellants' arguments assert that Biggs does not show an external response device and cannot teach or suggest a telephone accessory communications device permitting the response device (telephone) to transmit signals to an external apparatus. We conclude that it would have been obvious in view of Snyder to make the amenities service device of Biggs as a separate external device, connected between the standard telephone (response device) and the external apparatus; see the discussion of claim 26. The telephone in Biggs generates DTMF signals and the

amenity device portion of the circuit transmits DTMF signals to an external apparatus via network 74. Moreover, although Snyder does not expressly state that the telephone transmits DTMF signals, since modern phones universally use DTMF as opposed to pulse dialing, and since the rest of Snyder uses DTMF, it is strongly suggested that the telephone transmits DTMF signals, which constitutes a further teaching of obviousness. The rejection of claim 27 is sustained.

With respect to claim 28, Appellants argue (Br25-26) that Biggs only discloses sending an identification number once (col. 10, lines 19-24) and not each time the telephone accessory communications device receives an input of a desired service. The Examiner refers to column 14, lines 48-57, of Biggs with respect to a similar limitation in claim 5 (EA11).

Since the flowchart of figure 9 of Biggs does not show entering more than a single amenity number per transaction, (there are no loops to get other amenity numbers), it must be that an identification (serial) number, credit card number, and amenity service number, as discussed at both columns 10 and 14, are provided for each individual service transaction. The rejection of claim 28 is sustained.

With respect to claim 29, Appellants argue that Biggs defaults to a customer service operator after only one attempt at reading the number of a card and nothing is taught in Snyder

(Br26). The Examiner refers to column 19, lines 10-12, 45-47, and 60-65 in the rejection (EA5) and to column 5, lines 39-42, of Biggs with respect to a similar limitation in claim 4 (EA10-11).

We think it is clear the Examiner meant to refer to column 5, lines 29-32, instead of lines 39-42. In any case, column 19 relied on by the Examiner demonstrates that credit card information signals are sent each time the card is properly read. The rejection of claim 29 is sustained.

With respect to claim 30, the Examiner relies on the voice prompt if the credit card could not be properly read (EA5). Appellants argue that prompts are not error messages (Br26-27). It is argued that Biggs states that the customer is notified with voice prompts and graphic screens generated by the store-and-forward switch and a central distribution computer, but nothing about generating voice prompts via the access device (RBr10).

We agree with the Examiner that the claimed "audible tone" broadly reads on notifying the customer with voice prompts (Biggs, col. 17, lines 4-7). Claim 30 says nothing about where the enabling of an audible tone occurs. The fact that Biggs teaches more than what is claimed, i.e., graphics screen, is not precluded by claim 30, which is an open-ended claim. The rejection of claim 30 is sustained.

With respect to claim 31, Appellants argue that the Examiner does not specifically cite any support for his rejection (Br27;

RBr10). The Examiner concludes that it would have been obvious "to ignore subsequent inputs because to recognize such inputs would tie up valuable system resources with needless redundant signals" (EA6).

It is not persuasive to make up reasons to explain away a limitation which may be difficult to address. Nevertheless, we note that figure 9 of Biggs clearly shows only a single amenity number per transaction, (there are no loops to get other amenity numbers), which implies that subsequent inputs of a desired service are ignored. Appellants are presumed to be aware of express teachings of the references. The rejection of claim 31 is sustained.

CONCLUSION

The rejections of claims 1-25 are reversed.

The rejection of claims 26-31 is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a).

AFFIRMED-IN-PART

ERROL A. KRASS Administrative Patent Judge	)
LEE E. BARRETT Administrative Patent Judge	) BOARD OF PATENT APPEALS AND INTERFERENCES
ANITA PELLMAN GROSS Administrative Patent Judge	)

OLSON & HIERL, LTD.
20 North Wacker Drive
Suite 3000
Chicago, IL 60606